

**IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TENNESSEE**

W. Thomas Small, Jr.,)
)
Plaintiff,)
)
v.)
)
) Judge Samuel H. Mays, Jr.
) Magistrate Judge Diane K.
RMK Multi-Sector High Income Fund, Inc.,) Vescovo
Morgan Keegan & Co., Inc., Regions)
Financial Corp., MK Holding, Inc., Morgan)
Asset Management, Inc., James C. Kelsoe,)
Jr., Carter E. Anthony, Brian B. Sullivan,)
Joseph Thompson Weller, Allen B. Morgan,)
and J. Kenneth Alderman,)
)
)
Defendants.)
)
)
Case No. 2:13-cv-02654-SHM-dkv)

**DEFENDANT CARTER E. ANTHONY’S ANSWER TO
THIRD AMENDED COMPLAINT**

COMES NOW Defendant Carter E. Anthony (“Anthony”) and for answer to Plaintiff’s Third Amended Complaint, states as follows:

1.

Paragraph 1 requires no response.

2.

Paragraph 2 requires no response.

3.

The allegations of Paragraph 3 are admitted.

4.

Plaintiff's recitations about his intent require no response; otherwise Anthony denies that Plaintiff's claims are meritorious.

5.

The allegations of Paragraph 5 are denied.

6.

Anthony admits that Morgan Keegan underwrote the RHY Fund's IPO, Kelsoe managed its portfolio, and MAM served as Investment Advisor. Except as admitted, Anthony lacks knowledge or memory sufficient to form a belief as to the truth of the remaining detailed allegations of Paragraph 6 and therefore, the remaining allegations are denied.

7.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 7. The prospectus described the Fund.

8.

Anthony admits that Kelsoe received acclaim for his successes. Except as admitted, Anthony denies the remaining allegations of Paragraph 8, including the characterizations of journalists.

9.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 9.

10.

Anthony denies any claims lie against this Defendant under the Securities Act of 1933.

11.

Anthony admits the allegations of Paragraph 11.

12.

Anthony admits the allegations of Paragraph 12.

13.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 13.

14.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 14.

15.

Anthony lacks knowledge sufficient to form a belief as to the truth of the detailed allegations of Paragraph 15 without access to records.

16.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 16.

17.

Anthony lacks knowledge as to the current corporate structure of these entities as he has not worked at MAM since 2005.

18.

Anthony lacks knowledge as to the current status of Morgan Keegan and allegations of Paragraph 18.

19.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 19.

20.

Anthony admits the allegations of Paragraph 20.

21.

Anthony admits he is a resident of Alabama and served as Executive Vice President of Regions Financial Corp. He denies serving as President of the RHY Fund, as President of MAM or as Chief Investment Officer after December of 2005. Except as admitted, Anthony denies the remaining allegations of Paragraph 21.

Anthony's electronic signature was applied to the Registration Statement. He did not read and sign the same, relying on counsel to prepare it.

22.

Anthony admits the allegations of Paragraph 22.

23.

Anthony lacks knowledge sufficient to form a belief as to the truth of the detailed allegations of Paragraph 23 without access to documents.

24.

Paragraph 24 requires no response.

25.

Anthony admits the allegations of Paragraph 25.

26.

Anthony admits the allegations of Paragraph 26.

27.

Paragraph 27 requires no response.

28.

Anthony lacks knowledge sufficient to form a belief as to whether the graphic is accurate.

29.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 29.

30.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 30.

31.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 31.

32.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 32.

33.

Anthony lacks knowledge sufficient to form a belief as to whether the quotes are accurate.

34.

Anthony lacks knowledge sufficient to form a belief as to whether the quotes are accurate.

35.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 35.

36.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 36.

37.

Anthony denies the allegations of Paragraph 37.

38.

Anthony denies the allegations of Paragraph 38.

39.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 39.

40.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 40.

41.

Anthony admits that the RHY Fund entered into an agreement with MAM for provision of investment advisory services. Except as admitted, Anthony lacks

knowledge sufficient to form a belief as to the truth of the remaining allegations of Paragraph 41.

42.

Anthony lacks knowledge sufficient to form a belief as to the truth of specific allegations, but admits that Allen Morgan and Kenneth Alderman served in multiple capacities.

43.

Anthony admits the allegations of Paragraph 43.

44.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 44.

45.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 45.

46.

Anthony denies the allegations of Paragraph 46.

47.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 47.

48.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations, but admits if RHY Fund was likened to highly rated corporate bonds and preferred stocks, without disclosing the content of the Fund, it would be “wrong”.

49.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 49.

50.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 50.

51.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 51.

52.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 52.

53.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 53.

54.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 54.

55.

Anthony denies the allegations of Paragraph 55.

56.

Anthony denies the allegations of Paragraph 56 and lacks knowledge as to the context of the purported quotes.

57.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 57.

58.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 58.

59.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 59.

60.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 60.

61.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 61.

62.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 62.

63.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 63.

64.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 64.

65.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 65.

66.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 66.

67.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 67.

68.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 68.

69.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 69.

70.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 70.

71.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 71.

72.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 72.

73.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 73.

74.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 74.

75.

Anthony admits the allegations of Paragraph 75.

76.

Anthony admits the allegations of Paragraph 76.

77.

Anthony began work at Regions in October of 2000. Otherwise, Anthony admits the allegations of Paragraph 77.

78.

Anthony admits the allegations of Paragraph 78.

79.

Anthony generally admits the allegations of Paragraph 79, but cannot confirm details without reference to documents.

80.

Anthony denies the allegations of Paragraph 80 as to him.

81.

Anthony denies the allegations of Paragraph 81, but admits that his electronic signature was placed on the statement.

82.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 82.

83.

Anthony denies the allegations of Paragraph 83.

84.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 84.

85.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 85.

86.

Anthony denies the allegations of Paragraph 86.

87.

Anthony denies the allegations of Paragraph 87.

88.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 88.

89.

Anthony denies the allegations of Paragraph 89.

90.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 90.

91.

Anthony denies the allegations of Paragraph 91.

92.

Anthony denies the allegations of Paragraph 92.

93.

Anthony denies the allegations of Paragraph 93.

94.

Anthony denies the allegations of Paragraph 94.

95.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 95.

96.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 96.

97.

Anthony denies the allegations of Paragraph 97.

98.

Anthony denies the allegations of Paragraph 98.

99.

Anthony denies the allegations of Paragraph 99.

100.

Anthony lacks knowledge as to what “defendants contend” but asserts that the statute of limitations has run. Anthony has neither done nor failed to do anything in relation to this Fund since December 8, 2006.

101.

Anthony denies the allegations of Paragraph 101.

102.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 102.

103.

Anthony denies the allegations of Paragraph 103.

104.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 104.

105.

Anthony denies the allegations of Paragraph 105.

106.

Anthony denies the allegations of Paragraph 106.

107.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of loss, but denies that any alleged loss was caused by him.

COUNT I

108.

Anthony incorporates his responses to Paragraphs 1-107 as though fully set forth herein.

109.

Anthony denies the allegations of Paragraph 109.

110.

Anthony denies the allegations of Paragraph 110.

111.

Anthony admits the allegations of Paragraph 111.

112.

Anthony admits the allegations of Paragraph 112.

113.

Anthony admits the allegations of Paragraph 113.

114.

Anthony admits the allegations of Paragraph 114.

115.

Anthony admits the allegations of Paragraph 115.

116.

Anthony denies the allegations of Paragraph 116.

117.

Anthony denies the allegations of Paragraph 117.

118.

Anthony denies the allegations of Paragraph 118 as worded. This Defendant had reasonable right to rely on information provided by others and that professional accountants and attorneys fairly prepared registration statements and subsequent public disclosures.

119.

Anthony denies the allegations of Paragraph 119.

120.

Anthony denies the allegations of Paragraph 120 as to him.

121.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 121.

122.

Anthony denies the allegations of Paragraph 122.

123.

Anthony denies that he is liable to Plaintiff. He lacks knowledge as to whether any remaining defendants may have liability.

COUNT II

124.

Anthony incorporates his responses to Paragraphs 1-123 as though fully set forth herein.

125.

Anthony denies the allegations of Paragraph 125.

126.

Anthony denies the allegations of Paragraph 126.

127.

Anthony denies the allegations of Paragraph 127 as to him.

128.

Anthony denies the allegations of Paragraph 128 as to him.

129.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 129.

130.

Anthony admits the allegations of Paragraph 130.

131.

Anthony denies the allegations of Paragraph 131 as to him.

132.

Anthony denies the allegations of Paragraph 132 as to him. Anthony lacks knowledge as to what others knew or did not know at the time of the Registration Statement.

133.

Anthony lacks knowledge sufficient to form a belief as to the truth of the allegations of Paragraph 133.

134.

Anthony denies the allegations of Paragraph 134.

135.

Anthony denies the allegations of Paragraph 135 as to him.

Anthony further denies that Plaintiff is entitled to any of the requested relief from him.

First Affirmative Defense

Carter Anthony has never been served with a Summons or Complaint in this matter and denies he is subject to the jurisdiction of this Court.

Second Affirmative Defense

Carter Anthony has had no involvement with MAM since December of 2006 and Plaintiff's claims are barred by the statute of limitations.

Third Affirmative Defense

Any allegation of the Complaint not otherwise addressed is hereby denied.

Fourth Affirmative Defense

Defendant objects to the detailed narrative within each numbered paragraph that contains numerous allegations about multiple, unrelated subjects. Plaintiff has not pled "short, plain statements" but has purportedly quoted third-party sources for characterizations of conduct. Defendant would require discovery and access to documents not in his possession to admit or deny many of the allegations and therefore must answer that he lacks knowledge.

Fifth Affirmative Defense

Carter Anthony hereby adopts all affirmative defenses pled by his co-defendants as though fully set forth herein.

[SIGNATURE PAGE TO FOLLOW]

Respectfully submitted this 28th day of August, 2015.

TAYLOR ENGLISH DUMA LLP

/s/ R. Hal Meeks, Jr.

R. Hal Meeks, Jr.

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CERTIFICATE OF SERVICE

I hereby certify that on August 7, 2015, I electronically filed the foregoing *Defendant Carter Anthony's Answer to Third Amended Complaint* with the Clerk of Court using the CM/ECF system which will automatically send email notification of such filing to all attorneys of record.

/s/ R. Hal Meeks, Jr.
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